



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-720]

Limited Exclusion and Cease and Desist Orders; Terminations of Investigations:

CERTAIN BIOMETRIC SCANNING DEVICES, COMPONENTS THEREOF, ASSOCIATED SOFTWARE, AND PRODUCTS CONTAINING THE SAME

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to modify a final initial determination ("ID") of the presiding administrative law judge ("ALJ") finding a violation of section 337 by respondents in the above-captioned investigation, and has issued a limited exclusion order directed against products of respondents Suprema, Inc. ("Suprema") of Gyeonggi, Korea and Mentalix, Inc. ("Mentalix") of Plano, Texas, and a cease and desist order directed against Mentalix.

FOR FURTHER INFORMATION CONTACT: Clint Gerdine, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2310. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can

be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on June 17, 2010 based on a complaint filed on May 11, 2010, by Cross Match Technologies, Inc. ("Cross Match") of Palm Beach Gardens, Florida. 75 *Fed. Reg.* 34482-83. The complaint, as amended on May 26, 2010, alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain biometric scanning devices, components thereof, associated software, and products containing the same by reason of infringement of certain claims of U.S. Patent Nos. 5,900,993 ("the '993 patent"); 7,203,344 ("the '344 patent"); 7,277,562 ("the '562 patent"); and 6,483,932 ("the '932 patent"). The complaint further alleges that an industry in the United States exists as required by subsection (a)(2) of section 337, and names two respondents, Suprema and Mentalix.

On November 10, 2010, the Commission issued notice of its determination not to review the ALJ's ID granting Cross Match's motion to amend the complaint by adding allegations of infringement as to claims 5-6, 12, and 30 of the '562 patent, and claims 7, 15, 19, and 45 of the '344 patent. On December 27, 2010, the Commission issued notice of its determination not to review the ALJ's ID granting Cross Match's motion to terminate the investigation as to claims 6-8, 13-15, and 19-21 of the '932 patent (eliminating this patent from the investigation); claims 13 and 16 of the '993 patent; claims 4, 15, 30, 32, and 44 of the '344 patent; and claim 2 of the '562 patent based on withdrawal of these claims from the complaint. On March 18, 2011, the Commission issued notice of its determination not to review the ALJ's ID granting Cross Match's motion for summary determination that it satisfies the economic prong of the domestic industry requirement.

On June 17, 2011, the ALJ issued his final ID finding a violation of section 337 by reason of infringement of one or more of claims 10, 12, and 15 of the '993 patent by the imported devices. The ALJ also found a violation of section 337 by reason of infringement of claim 19 of the '344 patent. The ALJ found no violation of section 337 with respect to the '562 patent. He also issued his recommendation on remedy and bonding during the period of Presidential review. On July 5, 2011, Cross Match, respondents, and the Commission investigative attorney ("IA") each filed a petition for review of the final ID; and on July 13, 2011, each filed a response to the opposing petitions.

On August 18, 2011, the Commission determined to review the ALJ's finding of a violation of section 337 based on infringement of claim 19 of the '344 patent. The determinations made in the final ID that were not reviewed became final determinations of the Commission by operation of rule. *See* 19 U.S.C. § 210.42(h).

The Commission requested briefing on certain questions concerning the issues under review and requested written submissions on the issues of remedy, the public interest, and bonding from the parties and interested non-parties. *76 Fed. Reg.* 52970-71 (August 24, 2011).

On August 30 and September 8, 2011, respectively, complainant Cross Match, respondents, and the IA each filed a brief and a reply brief on the issues for which the Commission requested written submissions.

Having reviewed the record in this investigation, including the final ID and the parties' written submissions, the Commission has determined to: (1) modify-in-part the final ID and issue an Opinion supplementing the ID's analysis concerning its finding that the accused scanners infringe claim 19 of the '344 patent; and (2) affirm all other findings of the ID underlying the issue under review. Specifically, the Commission has determined that respondent

Mentalix directly infringes claim 19 of the '344 patent, and that respondent Suprema indirectly infringes claim 19, via induced infringement, but does not infringe claim 19 via contributory infringement. These actions result in a finding of a violation of section 337 with respect to claim 19 of the '344 patent.

Further, the Commission has made its determination on the issues of remedy, the public interest, and bonding. The Commission has determined that the appropriate form of relief is both: (1) a limited exclusion order prohibiting the unlicensed entry of biometric scanning devices, components thereof, associated software, and products containing the same that infringe one or more of claims 10, 12, and 15 of the '993 patent and claim 19 of the '344 patent where the infringing scanning devices are manufactured abroad by or on behalf of, or are imported by or on behalf of, Suprema or Mentalix, or any of their affiliated companies, parents, subsidiaries, licensees, contractors, or other related business entities, or successors or assigns; and (2) a cease and desist order prohibiting Mentalix, Inc. from conducting any of the following activities in the United States: importing, selling, marketing, advertising, distributing, offering for sale, transferring (except for exportation), and soliciting U.S. agents or distributors for, biometric scanning devices, components thereof, associated software, and products containing the same that infringe one or more of claims 10, 12, and 15 of the '993 patent and claim 19 of the '344 patent.

The Commission further determined that the public interest factors enumerated in sections 337(d)(1), (f)(1) (19 U.S.C. §§ 1337(d)(1), (f)(1)) do not preclude issuance of the limited exclusion or cease and desist order. Finally, the Commission determined that a bond of 100 percent of the entered value of the covered products is required to permit temporary

importation during the period of Presidential review (19 U.S.C. §1337(j)). The Commission's orders and opinion were delivered to the President and to the United States Trade Representative on the day of their issuance.

The Commission has terminated this investigation. The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42, 210.45, and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42, 210.45, 210.50).

By order of the Commission.

James R. Holbein
Secretary to the Commission

Issued: October 24, 2011

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